



Business Case

May 2009

Physicians Are in Trouble



- Cost of running a medical business has increased 40% since 2000.
- Reimbursements have declined 17-35%.
- Patient volume was increased to subsidize the margin loss.

Doctors see twice as many patients as in years past to make the same amount of money.

And, its getting worse.

There is No End in Sight

Patient loads are maxed out and few options remain.

- Can't see more patients.
- Can't get a raise from the insurance companies.
- Little control over supplier costs (rising rent, malpractice insurance, etc.)



To survive, practices must operate more efficiently

Trapped by Paper



Paper filing systems are the largest single source of inefficiency in office based medicine.

- Paralyze workflow by being in one place at a time
- Increases risk as information is often lost, misfiled, or missing altogether
- Slows things to a crawl while staff manually searches a file among thousands
- Artificially increase operations costs by one full FTE per MD in labor
- Is incomplete – paper won't accommodate modern media such as digital X-ray, etc

And yet, 85% of practices remain on paper.

Paper Slows Things to a Crawl

Everything requires a chart pull. Even getting paid.

- Labs
- Refills
- Referrals
- Claims
- Denials
- Hospital Documents
- Questions
- Other doctors
- Workers comp
- Therapy
- Orders



Paper charts cause massive bottlenecks.

Physicians are Not Technology Averse...



Physicians are every day users of:

- Magnetic Resonance Imaging (MRI)
- Digital X-ray
- Advanced Blood Chemistry Analyzers
- 3D Ultrasounds
- Linear Particle Accelerators in Radiology
- Nuclear medicine

Electronic billing technology gained 92% adoption in only 7 years.

Physicians are Stupidity Averse

Our competition frequently make matters worse and seldom yield any return on investment.

EMRs have an adoption rate that is only around 15%.

(MGMA Center for Research)

EMRs have a failure rate estimated at between 30 and 50%.

(Ken Terry, Medical Economics, April 7, 2006. 'IT Implementation: Why EHRs Falter')

EMRs are very expensive, and may do the practice “significant financial harm.”

(Congressional Budget Office, October 2008.)

EMRs seldom deliver a Return on Investment.

(American Medical Association)

EMRs do not increase the quality of care.

(Departments of Public Health, Harvard University, and Stanford University)

We are the Smart Solution

While other solutions try to help the physician at the expense of the practice, we ensure the business side works hand-in-hand with the medical.

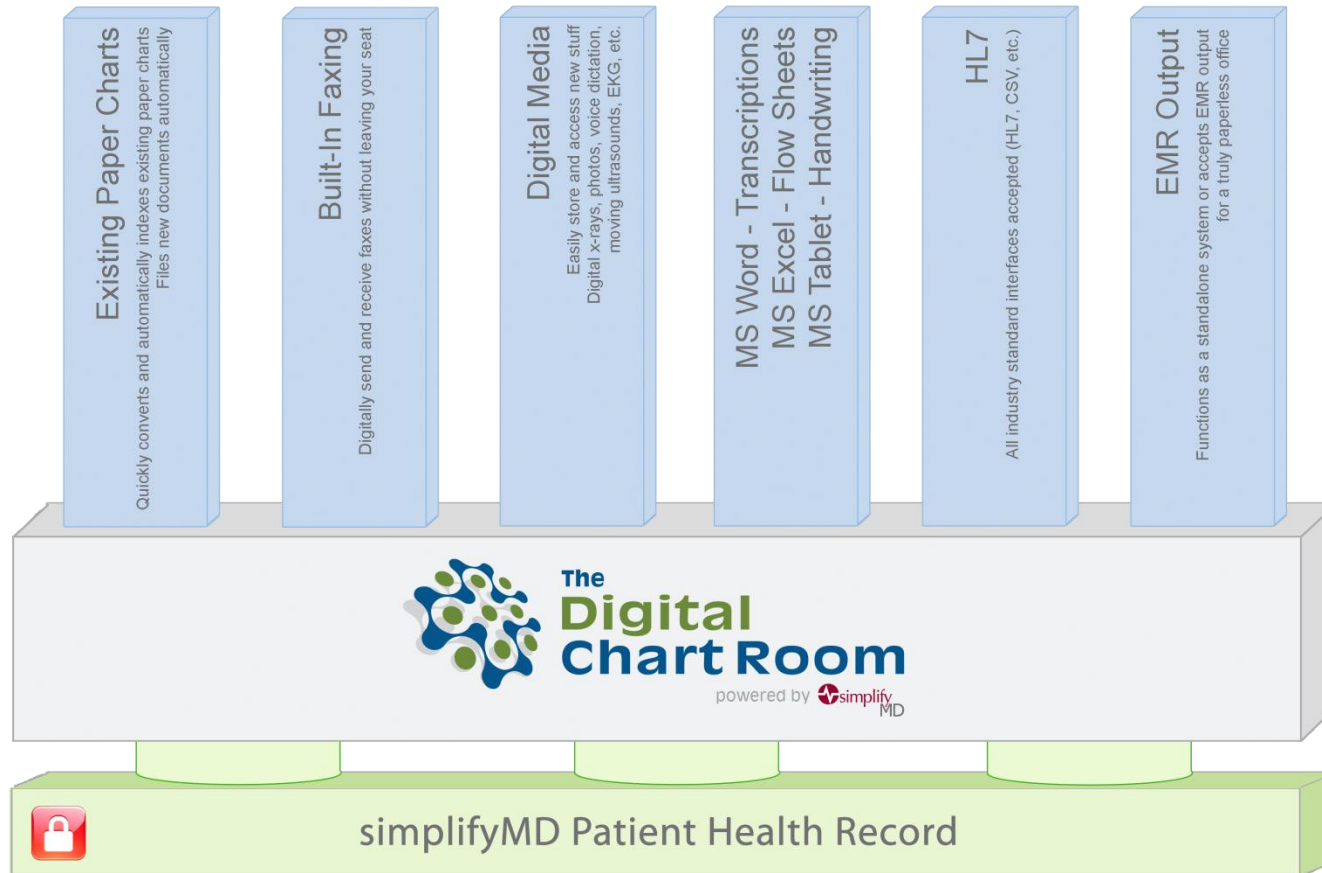
We completely eliminate paper charts and deliver a 'significant EMR' to our clients.



What we Offer

- A customizable **HIPAA-compliant** “medical-grade” patient document management system.
- A customizable and certified electronic medical record (EMR) system that fits ARRA’s definition of a **meaningful EHR**.
- An electronic health record (EHR) platform capable of serving as a **master patient index** (MPI) that can integrate health records from third-party vendor systems.
- A **financial-grade** secure patient health record (PHR) platform that can feed Google Health and Microsoft HealthVault.
- A clinical content and patient **education delivery platform** capable of feeding “smart” sponsored content based on patients’ diagnoses, procedures, and disease states. Content may be served:
 - Directly to physicians at the point of care.
 - Directly to patients through their physician-managed PHR.
 - Indirectly through e-mail or other electronic campaigns for patients who have opted-in.
- A **fully open platform** that can accept almost any unstructured document such as PDF, Word, and Excel or almost any structured format that is based on a consensus, ad-hoc, or government standard such as CCR, HL7, and X.12.

We are a Complete Solution



We are Different

- We focus on **ease of implementation**, **ease of training**, and **ease of use** instead of bells and whistles.
- We get clients **live faster**, because we start with simple document management that is paper-friendly with built-in fax handling, scanning, and bar-coding. As customers get accustomed to electronic paper handling we help them grow into a **full-fledged EMR** when they are ready for clinical functionality. While an EMR is included, physicians who are happy with document management need never be bothered by or have to use the EMR.
- We are **natively web-based** so we can deploy in the cloud, through an ASP, or on-premises with managed services. The clients' level of sophistication and their Internet connectivity drive the deployment model as opposed to us. We are partner-friendly and can offer ASPs or VARs the ability to host our solutions.
- Our **deceptively simple** platform can scale from a single doctor office to hundreds of physicians across geographic boundaries because we're built using **modern**, open, Internet-scale web technologies sitting atop a 64bit operating environment.



Where others add to the bottleneck caused by paper, we eliminate it!

We Make Life Easier for Physicians and Staff

A Common Task – Before and After

Faxing referral to another practice:

With paper charts:

1. Leave seat and go to chart room
2. Find chart - may or may not be filed correctly
3. Disassemble chart
4. Remove necessary documents
5. Copy necessary documents
6. Go to fax machine
7. Look up number
8. Fill out cover sheet
9. Punch in number
10. Wait for confirmation sheet
11. Reassemble chart
12. Refile chart
13. Shred copies

Total time: 7-10 minutes

With The Digital Chart Room™:

1. Type patients name
2. Click on necessary documents
3. Click on “fax”
4. Select the fax number from the address book
5. Click send

Total time: 30 seconds

The Digital Chart Room™ operates as 1 full time employee per physician!

We Make the Doctor Better Financially

The average physician can break even in month 2. How?

\$18,000 a year in Hard Cost Savings

Not including paper, shelves, overhead, off-site storage, toner, fax, real-estate space, etc....

- The average physician sees 30 patients a day.
- Each patient visit generates 4 chart pulls (to add documents, answer questions, fax, etc.)
- Each chart pull takes an average of 3 minutes
- If the office staff makes \$12 an hour, that means that the office pays \$72 a day, just in chart pulls!

\$7,000 in New Revenue

The simplifyMD PHR, offers patients on-line access to their medical records for a fee shared with the doctor.

- 10% adoption of the average patient panel of 2800 patients (Studies show 1 in 4 patients will pay!)
- 280 paying customers
- \$560 per month back to the doctor means an additional **\$560** a month.

\$25,000 per doctor per year!

We Continue to Care After the Sale

After the purchase of The Digital Chart Room™, simplifyMD continues to support our clients through:

- ✓ Comprehensive training from an experienced simplifyMD consultant.
- ✓ Full 24/7 access to our online user training and enrichment program **simplifyMD University**.
 - Online classes
 - Video curriculum
 - Digital user guides
 - Tip sheets
 - Self-help tools
 - User forums
 - Informative articles
- ✓ Free phone and email technical and application support during normal business hours.



We Offer a New Revenue Stream

Clients of simplifyMD can have their patients subscribe to their medical records with **MysimplifyMD**, the first nationally scalable physician-maintained Personal Health Record on the market.



The screenshot shows a web interface for "Personal Health Records". At the top, it says "Secure Access to Your Digital Chart" and "Powered by simplifyMD". The simplifyMD logo is in the top right. Below this is a box titled "Log into your PHR". Inside the box, there is a small disclaimer: "This service is provided by [simplifyMD](#) through your personal physician. If you need help logging into your PHR, please contact your physician directly." Below the disclaimer are three input fields labeled "Login", "Password", and "Provider". A "Login" button is positioned below the "Provider" field.

As stated previously, this can easily be an additional **\$500 to \$1500** a month in revenue for the physician.